

105TH CONGRESS
1ST SESSION

H. R. 2675

IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 1997

Received; read twice and referred to the Committee on Governmental Affairs

AN ACT

To require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Employees
5 Life Insurance Improvement Act”.

6 **SEC. 2. REQUIREMENT THAT A LEGISLATIVE PROPOSAL BE**
7 **SUBMITTED.**

8 (a) IN GENERAL.—Within 6 months after the date
9 of enactment of this Act, the Office of Personnel Manage-
10 ment shall submit to Congress proposed legislation under
11 which there would be made available to Federal employees
12 and annuitants the following:

13 (1) Group universal life insurance.

14 (2) Group variable universal life insurance.

15 (3) Additional voluntary accidental death and
16 dismemberment insurance.

17 The proposal shall indicate whether any such insurance
18 could be taken in addition to, in lieu of, or in combination
19 with any insurance otherwise offered under chapter 87 of
20 title 5, United States Code.

21 (b) DESCRIPTION OF POLICIES AND COSTS.—The
22 proposed legislation shall be accompanied by a report
23 which shall include a concise description of the policies
24 proposed, an estimate of the cost to the Government an-
25 ticipated with respect to each of those policies, and any

1 other information which the Office of Personnel Manage-
2 ment may consider appropriate.

3 **SEC. 3. UNREDUCED ADDITIONAL OPTIONAL LIFE INSUR-**
4 **ANCE.**

5 (a) IN GENERAL.—Section 8714b of title 5, United
6 States Code, is amended—

7 (1) in subsection (c)—

8 (A) by striking the last 2 sentences of
9 paragraph (2); and

10 (B) by adding at the end the following:

11 “(3) The amount of additional optional insurance
12 continued under paragraph (2) shall be continued, with
13 or without reduction, in accordance with the employee’s
14 written election at the time eligibility to continue insur-
15 ance during retirement or receipt of compensation arises,
16 as follows:

17 “(A) The employee may elect to have
18 withholdings cease in accordance with subsection
19 (d), in which case—

20 “(i) the amount of additional optional in-
21 surance continued under paragraph (2) shall be
22 reduced each month by 2 percent effective at
23 the beginning of the second calendar month
24 after the date the employee becomes 65 years of

1 age and is retired or is in receipt of compensa-
2 tion; and

3 “(ii) the reduction under clause (i) shall
4 continue for 50 months at which time the insur-
5 ance shall stop.

6 “(B) The employee may, instead of the option
7 under subparagraph (A), elect to have the full cost
8 of additional optional insurance continue to be with-
9 held from such employee’s annuity or compensation
10 on and after the date such withholdings would other-
11 wise cease pursuant to an election under subpara-
12 graph (A), in which case the amount of additional
13 optional insurance continued under paragraph (2)
14 shall not be reduced, subject to paragraph (4).

15 “(C) An employee who does not make any elec-
16 tion under the preceding provisions of this para-
17 graph shall be treated as if such employee had made
18 an election under subparagraph (A).

19 “(4) If an employee makes an election under para-
20 graph (3)(B), that individual may subsequently cancel
21 such election, in which case additional optional insurance
22 shall be determined as if the individual had originally
23 made an election under paragraph (3)(A).”; and

24 (2) in the second sentence of subsection (d)(1)
25 by inserting “if insurance is continued as provided

1 in subparagraph (A) of paragraph (3),” after “ex-
2 cept that,”.

3 (b) TECHNICAL AMENDMENT.—The last sentence of
4 section 8714b(d)(1) of title 5, United States Code, is
5 amended by inserting “(and any amounts withheld as pro-
6 vided in subsection (c)(3)(B))” after “Amounts so with-
7 held”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on the 120th day after the
10 date of enactment of this Act and shall apply with respect
11 to employees who become eligible, on or after such 120th
12 day, to continue additional optional insurance during re-
13 tirement or receipt of compensation.

14 **SEC. 4. IMPROVED OPTIONAL LIFE INSURANCE ON FAMILY**
15 **MEMBERS.**

16 (a) IN GENERAL.—Subsection (b) of section 8714c
17 of title 5, United States Code, is amended to read as fol-
18 lows:

19 “(b) The optional life insurance on family members
20 provided under this section shall be made available to each
21 eligible employee who has elected coverage under this sec-
22 tion, under conditions the Office shall prescribe, in mul-
23 tiples, at the employee’s election, of 1, 2, 3, 4, or 5 times—

24 “(1) \$5,000 for a spouse; and

1 “(2) \$2,500 for each child described in section
2 8701(d).

3 An employee may reduce or stop coverage elected pursuant
4 to this section at any time.”.

5 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
6 Section 8714c of title 5, United States Code, is amend-
7 ed—

8 (1) in subsection (c)(2) by striking “section
9 8714b(c)(2) of this title” and inserting “section
10 8714b(c)(2)–(4)”; and

11 (2) in subsection (d)(1) by inserting before the
12 last sentence the following: “Notwithstanding the
13 preceding sentence, the full cost shall be continued
14 after the calendar month in which the former em-
15 ployee becomes 65 years of age if, and for so long
16 as, an election under this section corresponding to
17 that described in section 8714b(c)(3)(B) remains in
18 effect with respect to such former employee.”.

19 (c) EFFECTIVE DATE; OPEN ENROLLMENT PE-
20 RIOD.—

21 (1) EFFECTIVE DATE.—The amendments made
22 by this section shall take effect on the first day of
23 the first pay period which begins on or after the
24 180th day following the date of enactment of this

1 Act or on any earlier date that the Office of Person-
2 nel Management may prescribe.

3 (2) OPEN ENROLLMENT PERIOD.—

4 (A) IN GENERAL.—Before the effective
5 date under paragraph (1), the Office shall af-
6 ford eligible employees a reasonable opportunity
7 to elect to begin coverage under section 8714c
8 of title 5, United States Code (as amended by
9 this section), or to increase any existing op-
10 tional life insurance on family members to any
11 amount allowable under such section (as so
12 amended), beginning on such effective date.

13 (B) DEFINITION OF AN ELIGIBLE EM-
14 PLOYEE.—For purposes of subparagraph (A),
15 the term “eligible employee” means any em-
16 ployee (within the meaning of section 8701 of
17 title 5, United States Code) covered by group
18 life insurance under section 8704(a) of such
19 title.

Passed the House of Representatives November 4,
1997.

Attest:

ROBIN H. CARLE,

Clerk.